

Message Text

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61

ORIGIN ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 SP-03 AID-20

EB-11 NSC-07 RSC-01 CIEP-03 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-03 INR-11 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 AGR-20 L-03 TAR-02 /162 R

DRAFTED BY ARA-LA/CEN:DLAZAR:ARA/PAN:PFMORRIS:JVC

APPROVED BY ARA - AMB. BOWDLER

EB:JINGERSOLL (SUBST.)

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O 012313Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA IMMEDIATE

INFO AMEMBASSY GUATEMALA IMMEDIATE

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY BOGOTA

AMEMBASSY QUITO

C O N F I D E N T I A L STATE 167977

E.O. 11652: GDS

TAGS: ETRD, PN

SUBJ: BANANA TAX

REF: (A) PANAMA 4418

1. AT MEETING JULY 31 WITH AMBASSADOR BOWDLER, UB REP JASPER BAKER STATED UB PRESIDENT ELI BLACK HAD BEEN IN TOUCH WITH NEW YORK FINANCIAL COMMUNITY AND HAD URGED THEM TO COMMUNICATE TO GOP THAT FURTHER INTERFERENCE WITH UNITED COULD IMPERIL PANAMA'S ROLL-OVER FINANCING ARRANGEMENTS.

2. DEPT. OFFICERS TOLD BAKER THIS EXTREMELY DANGEROUS
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MANEUVER CAPABLE OF GIVING RISE TO MOST SERIOUS CONSE-

QUENCES FOR UNITED IN PANAMA; WE URGED BAKER TO TRANSMIT THAT INFO TO HIS HOME OFFICE WHICH HE AGREED TO DO.

3. ABOVE DRAFTED PRIOR RECEIPT REF A. IT IS EVIDENT THAT ADVICE PARA 2 EITHER RECEIVED LATE OR IGNORED. FOLLOWING RECEIPT REF A DEPARTMENT CONTACTED UNITED AND SUGGESTED GREAT DESIRABILITY AS SOON AS POSSIBLE MEETING GOP OFFICIALS WITH UB PRESIDENT BLACK. WE ALSO URGED THAT BLACK CONTACT AMBASSADOR PRIOR TO MEETING WITH GOP OFFICIALS AND BE GUIDED BY EMBASSY SUGGESTIONS AS TO WHICH GOP OFFICIALS WOULD BE MOST APPROPRIATE. WE ADVISED UNITED THAT OUR WARNING RE POSSIBLE BALEFUL EFFECT OF

APPROACH TO GOP THROUGH U.S. FINANCIAL COMMUNITY HAD PROVED TO BE CORRECT GIVEN PANAMA REACTION BUT THAT EMBASSY ESTIMATE WAS THAT GOP STILL HOPED TO FIND WAY TO CLIMB BACK DOWN OFF OF LIMB. WE URGED UB REP THAT UNITED WOULD HAVE TO USE BEST DIPLOMATIC TALENTS TO HELP GOP FIND THAT WAY.

4. UB AGREED TO PASS INFO AND SUGGESTION TO UNITED HEADQUARTERS SOONEST AND ADVISE US.

5. WE UNDERSTAND THAT BLACK WAS HAVING SECOND THOUGHTS WITH REGARD TO VISITING PANAMA BUT IS RECONSIDERING DECISION ON BASIS DEPARTMENT'S SUGGESTION. WILL KEEP YOU INFORMED. KISSINGER

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